



# How to Conduct a Successful Baldrige Assessment

by Craig Kaplan, Ph.D.

## Overview

The Malcolm Baldrige National Quality Award can be a powerful engine for performance improvement in your organization. For example, IBM used the Baldrige criteria as the driving force behind a four-year Total Quality Management (TQM) effort that achieved the following results: 46% reduction in defects, 20% savings in service costs, 14% improvement in customer satisfaction, and 56% increase in revenue per employee<sup>1</sup>. However, to achieve results with Baldrige, an organization needs to follow certain principles.

### 1. Begin with Executive Commitment

Even with the best software, training, and consulting, conducting a Baldrige assessment is a lot of work. To ensure success, the executive team needs to understand the benefits that Baldrige can provide, and it needs to agree that the benefits are worth the effort. One of the best ways to gain commitment is through participation in an actual Baldrige, or Baldrige-based, assessment or survey.

If your organization is not sure it is ready to commit to a full-scale Baldrige effort, you can use IQ Company's software to conduct simple surveys based on Baldrige. This will introduce participants to the idea of Baldrige and give you a ballpark idea of how your organization might measure up in an actual Baldrige assessment. Based on the results from your survey, you might then conduct a small-scale, executive "pilot" assessment that uses the actual Baldrige criteria and scoring methodology. After the executive team understands, and firmly supports the use of Baldrige, you are ready for full-scale deployment.

### 2. Adopt a Team-Based Approach

One person answering Baldrige questions will not provide a large organization with an accurate Baldrige assessment score. For most organizations, you will have valid results only if you use a team approach. If your goal is to actually improve the organization (as opposed to simply obtaining a valid score) then a team approach is essential, because the process of participating in a Baldrige assessment is a primary means of raising awareness about areas needing improvement. Moreover, if teams have participated in the assessment, they are much more likely to be willing to participate in the improvement plans because they have been involved in, and therefore, trust the results of the Baldrige assessment.

Depending on the size and goals of the organization, I recommend that between 1% and 10% of the organization should participate directly on Baldrige teams. (Participation in Baldrige-based surveys, which require much less effort than team assessments, can be higher.) In the IBM example cited earlier, 10% of an 1800-person site participated on Baldrige teams.

IQ Company's software has been specifically designed by Baldrige experts to help teams conduct Baldrige assessments and reach consensus on scoring and on areas needing improvement. The software collects and combines the data much more efficiently than using pencil and paper or emailing documents back and forth. In addition, the software generates graphs to show where participants agree or disagree, which facilitates the consensus process.

### 3. Use Resources Wisely

Baldrige asks penetrating questions. It takes time to think about them. Often you must research your organization's practices in order to formulate intelligent answers. Much of the benefit of Baldrige lies in discovering gaps you didn't know about until you tried to respond to a particular item. Time spent thinking deeply about Baldrige and your organization is time well spent.

On the other hand, most organizations spend far too much time on activities that do not produce much value in themselves: collecting, merging and formatting data for reports, wrestling with resistance



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to criteria language that is difficult to understand, or struggling with unreliable scores from participants who do not understand the Baldrige scoring system. In the worst case scenario, these nonproductive activities become so frustrating and consume so much energy that they shift focus from the content of the Baldrige assessment. The organization may end up with a nice-looking report of little substance: something that tends to lower morale and does little to help the organization improve.

IQ Company's Assessment Software Suite has been designed to reduce the time spent on administrative tasks, which in turn, will enable you to spend more time on the important "brainwork" that is the essence of Baldrige. Based on our research, published in the *National Productivity Review*, "an organization could save ten dollars in personnel costs for every dollar invested in assessment software."<sup>2</sup> I believe IQ software can make a tremendous difference in taking the drudgery out of Baldrige and ensuring that the results are more accurate.

## 4. Take Action

A thorough Baldrige assessment typically highlights dozens of areas for improvement as well as organizational strengths. To improve, your organization must concentrate on its weakest areas. Often it is useful to research how other organizations have solved similar problems. It may also be important to poll experts within your organization to collect their thoughts on how to best solve specific problems.

IQ's software can help your organization take action. The software contains a built-in research library of more than 1500 abstracts of books, articles, case studies, and other improvement resources. A quick electronic search of the library helps you to avoid "reinventing the wheel" by pointing to other organizations that already excel in each of the seven Baldrige categories. By using IQ's software, you can also quickly create your own follow-up assessments to poll internal experts. These follow-up surveys may yield solutions to problems identified by the initial Baldrige assessment.

## 5. Periodically Re-Assess

Baldrige is best used as a yardstick to track your organization's improvements over time. Before IBM saw improvements in bottom-line results from its TQM efforts, it saw improvements in its periodic Baldrige assessment scores. This positive feedback gave IBM the information needed to make course adjustments, and the confidence to persist in its efforts to improve performance.

IQ Company's software can be modified or upgraded to reflect year-to-year changes in the Baldrige criteria. You can include new questions or metrics relevant to your specific organization. You can automatically estimate this year's Baldrige score from last year's data, and you can easily create graphs that compare Baldrige performance between teams, divisions, or assessment periods. In short, IQ's software helps you identify problems and track improvements over time.

## About IQ Company

I.Q. Company was founded in 1993 to help organizations conduct more effective and efficient organizational assessments, surveys, and audits. IQ Company's assessment software has been used successfully by many Fortune 1000 companies and government organizations including: AT&T, IBM, Raychem, Siemens, the US Air Force, the US Coast Guard, and the Council for Continuous Improvement.

## About the Author:

Craig Kaplan received his M.S. and Ph.D. degrees from Carnegie Mellon University, where he co-authored papers with Nobel Laureate in Economics, Herbert A. Simon. Dr. Kaplan also co-authored, *Secrets of Software Quality: 40 Innovations from IBM* (McGraw-Hill 1995) and several scientific papers, journal articles, and patents. He is a member of the ASQ, ACM, APA, IEEE, and the Scientific Research Society, Sigma Xi. Dr. Kaplan speaks internationally on the topics of team-based quality assessment, The Malcolm Baldrige National Quality Award, software quality, survey methodology, and performance improvement. Dr. Kaplan is committed to helping organizations succeed in their assessment efforts. He is available via phone and email to all IQ Company customers.

<sup>1</sup>Kaplan, C., Clark, R., and Tang, V. (1995) *Secrets of Software Quality: 40 Innovations from IBM*. New York: McGraw-Hill.

<sup>2</sup>Kaplan, C. (1996) "Technology to Ease Team-Based Quality Assessments." *National Productivity Review*, Summer Issue.



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